

From: Christopher Tinto/=WDC/Toyota_NY.

Sent:3/27/2007 11:28 AM.

To: [-] Jim Press/=Exec/=TMS/Toyota@TOYOTA.

Cc: [-] .

Bcc: [-] .

Subject: Fw: URGENT*****ES350 ISSUE*****.

FYI Jim - we are trying to resolve this issue without a formal recall, which we believe is unwarranted.

Please see below for details.

Regards,
Chris

I spoke to NHTSA management today (K. Demeter) about a potential compromise on the ES350 floor mat issue. In lieu of a Part 573 safety recall, I offered the following:

Toyota will send a letter to all 2007MY ES350 owners reminding them not to install all weather mats on top of existing mats;

In addition, we will enclose a caution label advising owners of the same, and ask owners to affix the label on the flat surface on the backside of the mat;

We will also alert dealers of the issue, and remind them not to install mats on top of existing mats;

If the owners want to have the dealer affix the label to the mat, Toyota will offer that they bring their vehicles to the dealer to ask them to do it, free of charge.

However, we will NOT file a 573 (i.e. this is not a safety recall), because a) this is an 'aftermarket' install b) there is no design or manufacturing defect in the mat or vehicle, and c) the issue really boils down to improper installation of the mats by the owner or the dealer (but I noted that Toyota has no evidence that dealers are actually doing this.)

Ms. Demeter said that there is precedent in NHTSA's history for safety recalls in this area, but understood our idea - she pledged that they would discuss it internally and get back to me with a response to our proposal in a few days. She also insured me that NHTSA would not open a formal PE until she gets back to me.

I will keep everyone informed.

Regards,
Chris